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NSC BRIEFING

1 July 1954

INDOCHINA DEVELOPMENTS

- I. Events past ten days indicate major progress in various talks on Indochina.
 - A. Most important was Mendes-France talks with Chou 23 June, when Chinese premier exuded customary sweet reasonableness.
 - B. At Geneva, chief of French delegation (Chauvel) said last week that French-Viet Minh talks might reach tentative agreement in eight-ten days.
 - C. Increasing evidence secret talks also in progress in Tonkin.
- II. Emerging pattern Indochina settlement seems to be:
 - A. Cease-fire, then partition Vietnam on terms very favorable Communist side: postponement any political agreement.
 - B. Neutralization of Laos, with Communist retention part of country or membership in coalition govt, or both.
 - C. Neutralization of Cambodia, with some form recognition for "Free Cambodians" there.
- III. More French conversations with interested Communist leaders being planned.
 - A. Mendes-France says he and Chou will meet again, also that he hopes to see Molotov.

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- B. Viet Minh delegate at Geneva has requested meeting with Mendes-France.
- C. Soviet delegation chief at Geneva has suggested direct talks with French chief.
- D. Week ago, it seemed Communists would make offer to French between 12 July (when high level officials return Geneva) and 20 July (Mendes-France's deadline).
- E. Now, however, settlement may be reached present "preliminary" talks, and conference merely asked for endorsement.

IV. Information ^{FROM} ~~for~~ Indochina bears out imminence of truce.

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- A. [REDACTED] is convinced that French have already decided on partition of Vietnam, giving all of Tonkin to Viet Minh.
- B. Vietnamese officials and foreign newsmen believe that secret understanding has already been reached between French and Viet Minh, at least for regroupment of forces in the delta. They cite French pull-backs and absence of Viet Minh attacks. *FRENCH WITHDRAWAL FROM NAM DINH FIRST PUBLICLY ANNOUNCED STEP IN SOUTHERN EVACUATION.*
- C. Long convoys of supplies and equipment reported pulling out of southern Tonkin delta; French even taking electric fans from offices.
 - 1. This withdrawal unopposed over roads lately heavily mined, and harassed by mortar fire.
 - 2. French censor, Hanoi, passed correspondent's story to this effect, saying "It is true, and

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3. [REDACTED] corroborating story of southern delta evacuation, says completion date to be 1 July.

D. Would appear, then, that even in event talks fall through, southern part delta would be abandoned to enemy in favor of grouping in Hanoi-Haiphong nucleus.

E. Even some indication French preparing reduce this foothold, leave Hanoi. [REDACTED] 25X1X6
tonnage out to Haiphong now triple that traffic inland to Hanoi. This exact reverse of normal pattern, implies shift of stores, heavy equipment.

V. Meanwhile, outgoing Buu Loc government desperately attempting ~~to reconcile do-or-die position with fear that~~ *MAINTAIN BOLD FRONT, WHILE FEARING THAT, IN REALITY,* essential allied aid is slipping away.

A. Governor Tri, outstanding Tonkin leader, says repeated pleas to French for advance notice of delta military regrouping have met with shoulder shrugs.

1. Says French command could most certainly hold delta, but simply has no desire do so.

B. Interim defense minister Quat says delta regrouping is severe blow to plans for Vietnam army.

1. Viet Minh thus allowed free conquest of area which heretofore provided Vietnam army most able and willing recruits.

VI. Although premier-elect Ngo Dinh Diem is taking more outspokenly nationalist position than predecessors, his ability to rally Vietnamese questioned by most observers.

A. Bao Dai's reported grant of "full powers" to Diem largely vitiated by emperor's earlier decree enlarging political power of Binh Xuyen gangster organization.

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B. [REDACTED] Bao Dai hates Diem and has called on him now only in order to throw him to lions.

C. Little enthusiasm for Diem evident in Vietnamese circles.

D. Several prominent Tonkinese have already turned down cabinet post offers.

E. Diem now threatens to refuse premiership if French continue delta withdrawals.

VII. It now confirmed that two regiments Viet Minh Division 304 moved into southern delta.

A. These are first elements Dien Bien Phu battle corps so used.

B. Generally accepted that other units battle corps could move on delta at moment's notice.

1. Unconfirmed report says 308 and 312 Divisions alerted for possible move against delta.

2. French pilots have seen elements 312 on the move.

VIII. Chinese aid for Viet Minh continuing high level.

A. "Large quantities" Chinese materiel have crossed border in recent weeks.

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B. Largely ammunition, heavy weapons (up to 50 105mm howitzers, 70 75mm recoilless rifles, six multi-barreled rocket launchers, "enormous" quantities mortar ammunition).

IX. Major military news, however, is severe French reverse in southern Annam. 25X1X6

A. [REDACTED] terms French withdrawals from An Khe and Song Cau as "Operation Atlante" in reverse.

1. "Atlante" was Navarre's brainchild last winter, aimed at clearing enemy from Annam coastal strip. Started well, but operation bogged down in face of enemy concentration 16 battalions.

B. French, withdrawing from An Khe to Pleiku 25 June when attacked; lost upwards of 1,000 men, entire HQ of one mobile group, 220 trucks.

C. Enemy pressure southern Annam makes French influence over even small sectors there problematical.

1. Aside from region adjacent to Cochinchina, Pleiku and Ban Me Thuot are now only important centers of French strength in plateau areas.

2. Plateau areas important to French in denying Viet Minh lateral routes to Laos, Cambodia.

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3. Also, Bao Dai has long-term dream of economic development for region.
 4. Viet Minh buildup may be designed to establish base this area for improved bargaining position in possible partition talks, also for later penetration Laos, Cambodia and Cochinchina after truce.
- X. In Cambodia, only bright spot of past week, Cambodian army evidenced much improvement.
- A. Two battalions scored significant successes against Viet Minh units south of Phnom Penh.
 - B. Cambodian units defeated one enemy battalion near Kratie, sent it retreating northward.

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